Income Maintenance Advisory Committee Department of Health and Family Services Division of Health Care Financing March 20, 2003 *Minutes*

County Attendees: Ed Kamin, Co-Chair, Kenosha Co. DHS; Shirley Ross, LaCrosse Co.;

Jackie Bennett, Racine Co. HSD; Liz Green, Dane Co. DHS; John Rathman, Outagamie Co.; Sheryl Siegl, Winnebago Co. DHS; Michael Poma, Milwaukee Co.; Sue Schmitz, Waukesha Co.; Joanne Faber, Washington Co.; Lynn Brenner, Calumet Co.; Terri Rapp, Wood Co.; Gloria Guitan, Milwaukee Co.; Cindy Sutton, Rock Co.; Felice Riley, Milwaukee Co.; Connie Hendries, Manitowoc Co.; Jane Huebsch, Marathon Co.; Doreen Lang, Wood Co.; Joseph Cooper, Milwaukee Co.;

Kathi Madsen, Douglas Co.

State Attendees: Susan Wood, Co-Chair, DHFS/DHCF/BIMA; Cheryl McIlquham,

DHFS/DHCF/BHCE; Jim Jones, DHFS/DHCF/BHCE; Rick Zynda, DHFS/DHCF/BIMA; Jodi Ross, DHFS/DHCF/BIMA; Sara Pynenberg, DHFS/DHCF/BIMA; Scott Riedasch, DHFS/DHCF/BHCE; Bernadette Connolly, DHFS/DHCF/BIMA; Brian Fangmeier, DHFS/DHCF/BIMA; Essie Herron, DHFS/DHCF/BIMA, Milwaukee Region; Joanne

Simpson, DHFS/DHCF/BIMA; Vicki Jessup, DHFS/DHCF/BIMA; John Haine, DHFS/DHCF/BIMA; Mike Mckenzie, DHFS/DHCF/BIMA; Mary

Moyer, DHFS/DHCF/BHCE

1. Administrative Items:

- IMAC minutes are up to date on the website as of January
- IMAC Subcommittee Membership updates- The IMAC Subcommittee chart was again distributed, with further updates to the memberships. See attached.
- Update on Budget proposal- A WCHSA ad-hoc Committee has been formed to discuss the IM centralization proposal in the biennial budget. The WCHSA committee first met in the morning, just before IMAC. Several alternative proposals were discussed by the WCHSA committee, but not in detail. The committee will meet again on March 31 to explore proposals in more detail.

2. Subcommittee Reports

Quality Assurance-

See summary below.

Program and Policy Coordination-

Handout provided on Simplified and Semi-Annual Change reporting, see below.

3. Food Stamp Reinvestment

- Wisconsin's sanction amount for 2001 is \$2.8 million.
- A table was provided (attached) which shows the proposed reinvestment projects.
- 4. Issues surrounding benefit recovery were discussed. It was agreed that the IT Subcommittee would will discuss this issue and examine ways to improve the benefit recovery process.
- 5. Issues surrounding Program Integrity were also discussed. DHFS will bring this issue back to the April meeting.
- MA transportation issues were also discussed. It was agreed that an Ad hoc IMAC subcommittee would be formed for discussion and resolution of MA transportation issues.
- 7. There were also some concerns about the Fraud section. It was clarified that although state budget reductions will impact the state Fraud Program staffing, DHFS is not eliminating the Fraud Program.

8. Handouts:

The Quality Assurance Subcommittee (QAS)

Currently QAS has 14 members, 6 from local agencies and 8 from DHFS. We have met two times and have defined as our first priority establishing performance standards for the local agency 2004 contract. We are evaluating 5 performance standards:

- Payment accuracy bonuses/sanctions
- Negative case error rate bonuses
- Timely case processing
- Caseload growth
- Benefit recovery

We have outlined (and voted on) various options for payment accuracy passthroughs and have met all day on April 14th to reach a consensus on a methodology that, maybe, can be applied to some or all of the other categories. The group is very interesting and interested in producing workable products by our deadline for this effort, which is toward the end of June.

FOOD STAMP PROGRAM SIMPLIFIED AND SEMI-ANNUAL CHANGE REPORTING POSITION PAPER

PROPOSED POLICY:

Reduction in food stamp household change reporting requirements using a phased approach.

Phase I (July 1, 2003)

Implement simplified change reporting requirements for most food stamp households while maintaining current 6 month certification periods. Households subject to 6 month certification periods would be required to report gross monthly income exceeding the gross income limit for the household size. Request a waiver to allow agency action on all reported changes and excess income reporting by the 10th of the month following the change.

Phase II (January 1, 2004)

Implement semi-annual change reporting with 12 month certification periods. A pre-printed change report form would be sent to households every 6 months requiring completion and submission. Waiver would continue allowing agency action on all reported changes. The only change required to be reported between periodic (semi-annual) reports would be income exceeding the gross income limit for the household by the 10th of the month following the change.

Phase III (July 1, 2004)

Implement semi-annual reporting without the waiver requiring action on all reported changes. Enhancements to CARES system processes will allow food stamp eligibility and benefit amounts to be determined independently from other program requirements. Federal regulations (without waivers) require agency action only on changes that result in an increase in the food stamp benefit allotment, with certain exceptions.

BACKGROUND:

Current federal regulations, at 7CFR 273.12(a)(1)(i-vi), require food stamp households not subject to periodic reporting to report changes in the source of income or the amount of monthly gross income of more than \$25; changes in household composition; residence and shelter costs; when total liquid assets exceed the asset limit; and changes in a legal child support obligation. These changes must be reported within 10 days of the date the household becomes aware of the change.

Federal regulations allow periodic reporting for some households. Waivers have been granted to states that allow changes to certification periods, agency action

on all reported changes, and reporting excess income by the 10th of the month following the month that the excess income was received.

Current Wisconsin Policy and Waivers

Wisconsin currently has waivers that reduce the reporting requirements for earned and unearned income, however these waivers have not significantly reduced benefit errors caused by incorrect income reporting and budgeting.

Wisconsin has also used reinvestment funds to provide training statewide to emphasize the importance of correct income budgeting and client education to emphasize change reporting requirements. These efforts have not resulted in the expected reduction in errors caused by client failure to report changes, or worker failure to act appropriately when changes are reported.

Periodic Reporting Options

Several options have been made available through recent legislation and waivers to reduce change reporting requirements. These options include periodic reporting (monthly, quarterly, or semi-annually) for most households. Certain households are exempt from periodic reporting including migrant or seasonal farmworkers, households where all members are homeless, and households without earnings where all members are elderly or disabled. Households subject to monthly or quarterly reporting do not have any reporting requirements beyond completion of the periodic report. Households subject to semi-annual reporting are required to report if total monthly gross income exceeds 130% of the Federal Poverty Level (FPL), or the gross income limit for the household size. Regulations related to semi-annual reporting require local agency action only on reported changes that cause an increase in the food stamp benefit, unless the household requests case closure, the agency has received information considered verified on receipt, or there has been a change in the household's PA (W2) grant.

Program and Policy Simplification Workgroup

The program and policy simplification workgroup has discussed the pros and cons of each of the available options, including maintaining the current change reporting requirements. These discussions included identifying impacts on customers, local agency workload, and the error rate. The workgroup explored each of the change reporting options thoroughly and made the unanimous recommendation that the current policy be changed.

Reduced change reporting requirements implemented in a phased approach was the final recommendation of the workgroup. A phased approach is preferable to allow for immediate impact on the error rate while systems and training needs are being met to accommodate full implementation of semi-annual reporting without waivers.

DISCUSSION:

Any significant policy change impacts customers and local agencies due to systems changes, and shifts in training and best practice recommendations. The current state budget crisis and proposed reduction in funds allocated to local agencies for Income Maintenance Administration require an immediate reduction in the amount of time and staff required to process food stamp eligibility and benefits. The decision to automate and centralize Income Maintenance program administration also requires action to reduce change reporting and certification requirements for food stamp recipients.

RECOMMENDATION:

Implement reduced change reporting requirement policies for FS recipients using a phased approach.

JUSTIFICATION:

Legislation passed as part of the 2002 Farm Bill provides the opportunity to make significant policy changes during FFY 2003 without risking the inevitable increase in error rate liability due to training and systems changes.

Impact on Customers

Reduced change reporting burden for most FS households while maintaining accurate benefit eligibility.

Impact on Local Agencies

Reduced required contact from FS recipients, fewer phone calls, fewer overpayment calculations due to client failure to report changes.

Impact on Error Rate

Reduced error rate due to client failure to report changes.

CARES Considerations

Phase I - changes to notices and CAF

Phase II - pre-printed change report, changes to notices and certification periods

Phase II - independent driver flow and eligibility determination for FS.

Training Considerations

Phase I - minimal training required, however obtaining agency buy-in of the reduced change reporting requirements will be crucial.

Phase II - training will be required to explain periodic reporting, change report completion and processing timelines.

Phase III - training needs will be dependent on the extent of automation and agency implementation of Phases I and II.

Proposed Reinvestment Projects for FFY 2001 Sanction Liability of \$2,873,308

Project	Description	Cost Estimate	Primary Focus on FS Error Reduction
CARES auto	Info from data-exchange will automatically update	Large CARES project	Client failure to report changes.
update			
New Hire	in CARES with ?'s, and the case will close in 10	_	Worker failure to act on reported changes.
Child Support	days if verification is not received.	\$680,000	Reduction in workload will assist in reducing all worker errors.
Unemployment			
Social Security			
Mini-driver flows	Driver flows will be created for each change	Small to medium CARES	Worker processing errors
	required to be reported.	project.	Driver flows for address, income, expenses changes
May-03 Phase IIB		\$42,500 to \$59,500	
CARES support and	Semi-annual reporting will freeze benefits for 6 mos.	Training and CARES changes	Benefits will be essentially frozen for 6 months, which will help
training for semi-	A CARES preprinted change report form will need		in reducing QC errors related to client failure to report.
annual reporting.	to be developed. This will sent out through CARES		Training will be required to focus on the application process
		\$610,000	so benefits will be issued correctly at application.
	Through Phase II.		
CARES fix to calculate	CARES will automatically calculate income entered	Medium CARES project.	Arithmetic Errors/Worker errors
income.	by # of hours per week and rate of pay.		
May-03 Phase IIB		\$51,000 to \$68,000	
E-files/Scanners	Case files would be maintained on a system where	Licenses, software, training	Milwaukee County currently has centralized filing causing loss
	all Milwaukee agencies would have access to the		of many files.
Case files would be	case files.	\$1,583,308	E-files would eliminate some problems with agency transfers.
available to all workers.	Plan is to pilot this project in Milwaukee County.		Reduction in workload and agency error

We will continue to update IMAC on timeframes for completion of these projects
Milwaukee County travels to Hennepin County next week to review their scanning operation

IMAC Subcommittees – 2003 – DRAFT

Subcommittee Name and Charter (Purpose/Scope)	Activities/ Issues	Membership
IM, W-2, FSET AND CHILD CARE COORDINATION COMMITTEE 2002 Charter (Purpose/Scope): This group was created at the request of the W-2 Contract and Implementation (C&I) Committee to review Medicaid, Food Stamps, FSET, W-2 and Child Care issues that cross programs brought forth from the Workload Symposium. This committee will develop issue papers and recommend policy and process changes to meet the goal of creating a seamless delivery of work programs and supportive services. The committee is a formal subcommittee of the IMAC and the W-2 C&I Committee to focus on opportunities for integration and coordination between employment programs administered by DWD and supportive service programs administered by DHFS. The committee will be responsible for providing feedback on existing programs and procedures and for making recommendations on the design, implementation and evaluation of new initiatives that cross income maintenance programs and work programs. Recommendations are made to the IMAC and the W-2 C&I Committees 2003 Charter (Purpose/Scope): same as 2002	2002 Activities The Work Plan on the web site currently shows a list of FSET issues. Some have been referred to other committees and some are still under review.	2002 Members: Amy Mendel-Clemens Chaired by local agency representatives. Also includes members from DWS and other local agencies. 2003 Members: Co-Chair: John Rathman, Outagamie Co Cindy Booth, DHFS Bernadette Connolly, DHFS Sara Pynenberg, DHFS

Subcommittee Name Activities/ **Membership** and Charter (Purpose/Scope) Issues 2002 Name: FOOD STAMP ERROR REDUCTION 2002 Activities 2002 Members: 2003 Name: QUALITY ASSURANCE Chair: Marcia Williamson 1. Alerts (will transfer back to IT Linda Auchue 2002 Charter (Purpose/Scope): committee) Lisa Hanson 14.2 of the County/State IM Contract established the FS Error 2. Data Exchange (will transfer back to Tom Sandholm Reduction Committee. The contract stated: "The Department IT comm.) Essie Herron agrees to work with counties using a jointly appointed technical 3. Fraud/change reporting Vicki Jessup work group comprised of equal numbers of state and county staff to 4. FS Case Management Mike McKenzie jointly develop strategies to effectively address reducing 5. Formula to return some investment Sara Pynenberg Wisconsin's food stamp error rate. The technical work group will dollars to the local agencies. Phyllis Rehm propose balanced strategies that specify actions at both the state Edie Sprehn and local levels needed to reduce the most costly errors. Options Evie Ryan-Tondryk to be considered shall include, but not be limited to:additional Jenny Thompson training at a level of detail and specificity local agencies deem Staci Wantv necessary, policy revisions to simplify the food stamp program, Marcia Williamson streamlined and current policy communication procedures, best local practices identified by agencies with low error rates, CARES **Co-Chaired by Jackie Bennett.** programming to assure accuracy and promote effective use by line Also includes local agency representatives staff, and local reinvestment options for counties to offset penalty and DWD. amounts." 2003 Activities 2003 Members: **DHFS Co-Chair: John Haine, DHFS** 1. Performance Standards-By July 2003 Proposed Charter: review current contract County Co-chair: Jackie Bennett, Racine The 2003 IM contract language was modified. It now states, "The requirements, review federal FS CoDepartment agrees to work with local agencies using the IMAC and performance standards for Joanne Simpson, DHFS its subcommittees to jointly develop strategies to effectively address applicability for IM QA purposes. Bernadette Connolly, DHFS payment accuracy in the Food Stamp program. One of the Also review other potential Lisa Hanson, DHFS subcommittees will function as a technical workgroup focusing on performance standards, incentive Vicki Jessup, DHFS quality assurance to propose balanced strategies that specify funding for fraud and agency Marilyn Rudd, DHFS actions at both the state and local levels needed to reduce the most preventable errors. Make Marcia Williamson, DHFS costly errors." recommendations on contract Pam Lohaus, DHFS-AAA-Southern Region language changes and funding. Chris Elms, Dane Co This subcommittee will develop and recommend strategies for Kathy Judd, Dane Co quality assurance compliance in the IM program. Issues to be 2. Coordination of error reduction Tom Prete, Dane Co addressed include customer service and payment accuracy. In strategies (including review of results addition, this work group will develop the standards by which Joanne Ator, Door Co. of the MEQC. FS error reduction Lorie Mueller, LaCrosse Co penalties may be imposed and/or incentive payments may be made issues). Jacaie Coutant, Milwaukee Co to counties based upon measurable performance standards. This will also involve ensuring the appropriate implementation of

performance standards from modifying contract language to

identifying appropriate funding mechanisms.

Subcommittee Name and Charter (Purpose/Scope)	Activities/ Issues	Membership
TRAINING and TECHNICAL ASSISTANCE 2002 Charter: N/A 2003 Charter: This subcommittee was created in 2003 to evaluate all aspects of the training and technical assistance service and delivery model for Income Maintenance agency workforce. This includes the availability and timeliness of training and technical assistance for all experience levels of IM workers.	2002 Activities: N/A 2003 Activities: 1. Create inventory of IM worker experience levels 2. Create inventory of training currently available at each level 3. Determine the technical assistance needs of the local agencies 4. Provide a suggested service delivery model for both training and technical assistance.	2002 Members: N/A 2003 Members: DHFS Co-chair: Theresa Fosbinder County Co-chair: Cindy Booth, DHFS Dave Hippler, DHFS Melissa Otter, DHFS Susan Rusboldt, DHFS-AAA-Western Gerry Mayhew, DWD Keely Poppy Vanessa Robertson, Milwaukee Co

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Subcommittee Name and Charter (Purpose/Scope)	Activities/ Issues	Membership
and Charter (Purpose/Scope) IT 2002 Charter (Purpose/Scope): 1. Represent the interests of local agencies in strategic planning for automation efforts. 2. Identify problems, explore options and make recommendations for IT systems improvements to DHFS and DWD; and 3. Recommend appropriate communication channels between the local agencies and DHFS and DWD about priorities, concerns and work in progress Systems included within the scope of the IT subcommittee: 1. CARES 2. SSI/Medicaid system 3. EBT Systems 4. MMIS 5. State Supplemental SSI Payment System 2003 Charter (Purpose/Scope): Same. In addition, this workgroup needs to coordinate with the CARES subcommittee of the C&I subcommittee of the W-2 Advisory Committee.	2002 Activities 1. Improve communication process regarding CARES related changes 2. Improved driver flows 3. Work with FS Error reduction committee on alerts 4. Provide guidance to agencies on running state supported applications 5. Plan county IT conference (Summer '03) 6. CARES notice improvements 7. Change center requirements definition 8. Advisory role in the data exchange improvement committee(s) 9. Advisory role to CARES enhancements – FS QC improvements efforts 10. Improve MA deductibles process 11. Medicare premium assistance improvements 12. IMAC web site set up 2003 Activities Short and Intermediate Range Local Issues: 1. Commuications 2. Policy Resources 3. Online Handbooks 4. Change Center/Tech Support Longer Range CARES Plans 1. Sequencing of Work 2. Technical requirements for the future C. Other Specific Topics 1. Explore interfaces between systems and the need when possible to update information automatically with proven/verified data. 2. Advise counties on technical needs associated with changes based on	2002 Membership: Chair: Bob Martin Theresa Fosbinder Jim Jones Kathy Luedtke Amy Mendel-Clemens Mike McKenzie Co-chaired by Debbie Bigler Also includes members from local agencies and DWD 2003 Membership: DHFS Co- Chair: Jim Jones County Co-Chair: Debbie Bigler Bob Martin, DHFS Evie Ryan-Tondryk, DHFS Theresa Fosbinder, DHFS Barb Mikkelsen, DHFS Sara Pynenberg, DHFS Laurie Teubert, DHFS Janice Tripp, DHFS-AAA-Northern Region

Subcommittee Name and Charter (Purpose/Scope)	Activities/ Issues	Membership
2003 Name: PROGRAM SIMPLIFICATION 2003 Name: PROGRAM POLICY COORDINATION 2002 Charter (Purpose/Scope): Created by the Administrator of DES to review issue papers and policy documents and recommend policy and process changes to meet the goal of a more simplified application, redetermination, and eligibility determination process for customers and local agencies. 2003 Charter (Purpose/Scope): same	 2002 Activities: 1. Uniformity across programs. Evaluate the options available to the state for standardizing policy and process across FS and MA and other public assistance programs, including the new options enacted in the recent reauthorization of the Farm Bill. 2. Eliminate duplicate activity in processing disability applications across the DHFS Disability Determination unit and the Social Security Administration 3. Design/update standard communication protocols from state to local agencies on policy and procedural clarifications and changes. 	2002 Members: Chair: Mike McKenzie Carol Amelong John LaPhilliph Amy Mendel-Clemens Sara Pynenberg Rick Zynda Brian Fangmeier Jim Jones Marilyn Rudd Edie Sprehn Also includes representatives from DWD, local agencies and an advocacy group (LAW)Attendees have also included WICAP, WCCF, AFSCME. DOA, Hunger Task Force

Subcommittee Name	Activities/	Membership
and Charter (Purpose/Scope)	Issues	
2002 Name: WORKLOAD ISSUES 2003 Name: WORKLOAD AND FINANCING ISSUES 2002 Charter (Purpose/Scope): Created as an ad-hoc committee in 2001 by agreement of the DWD and DHFS administrators and the WHCSA IM Technical Advisory Committee to assess all options to relieve workload at the local level, including the possibility of increased administrative funding. The committee focuses on four issues: The formula for distribution of IM funds, IM contract language, Justification for a funding increase, and opportunities to modify work processes to relieve workload.	 2002 Activities: The formula for distribution of IM funds IM Contract Language (reviewed and approved both the 2002 and 2003 contract language) Justification for funding increases, including research and data analysis to build a "full-funding" model. Administrative changes to streamline/relieve workload at the local level (Discussion about business process that have the potential to reduce costs and improve customer service. Prioritize the list and do a cost/benefit analysis for ideas with the most potential) 	2002 Members: Susan Wood Cheryl McIlquham Also includes local agency representatives
2003 Charter (Purpose/Scope): Created as an ad-hoc committee in 2001 by agreement of the DWD and DHFS administrators and the WHCSA IM Technical Advisory Committee to assess all options to relieve workload at the local level, including the possibility of increased administrative funding. In recognition of the ongoing nature of the work associated with balancing funding and workload, the committee will become a formal subcommittee of the IMAC effective January 2003.	2003 Activities 1. Amount of funding for IM programs. 2. Methodology for distribution of IM funds and for costing out potential program changes (up and down) 3. Cost allocation, including impact of the Random Moment Time Study on local administrative funding 4. Program coordination including with DWD run programs and work o the C&I subcommittee of the W-2 Advisory Committee. Also includes proposal to move child care and emergency assistance to DHFS along with funding and then require counties to perform these functions so that child care and emergency assistance can be tied to other safety net programs. 5. IM contract language 6. Opportunities to modify work processes to relieve workload.	2003 Members: DHFS Co-chair: Susan Wood, DHFS County Co-chair: Ed Kamin, Kenosha Co Cheryl Mcllquham, DHFS Joanne Simpson, DHFS John Haine, DHFS Bernadette Connolly, DHFS Jodi Ross, DHFS Cori McFarlane, DHFS-AAA-Northeastern Region Lynn Brenner, Calumet Co Liz Greene, Dane Co Bob Macaux, Florence Co Mike Poma, Milwaukee Co Felice Riley, Milwaukee Co John Rathman, Outagamie Co